Increase in Trade Deficit

2332. SHRI PREM CHAND GUPTA: Will the Minister of COMMERCE AND INDUSTRY be pleased to state:

(a) whether it is a fact that there has been sharp increase in the trade deficit from minus $ 523.8 million in April, 1999 to minus $ 11104 million in April, 2000;

(b) whether this is inspite of a 30 per cent growth in exports during the same period; and

(c) if so, what is the reason for this sharp increase in the Trade Balance?

THE MINISTER OF COMMERCE AND INDUSTRY (SHRI MURASOLI MARAN): (a) As per the DGCI&S provisional data trade deficit during April, 2000 has increased to US $ (−) 1110.35 million from US $ (−) 523.76 million in April, 1999.

(b) Exports during April, 2000 registered a growth rate of 30.04% in US $ terms over the provisional figure of April, 1999.

(c) Trade balance is the difference between imports and exports. Imports are made by the trade and industry as per the needs of the economy. One of the main reasons for the sharp increase in import bill has been the increae in the value of oil imports due to rise in oil prices.

Export of Tea to Pakistan

2333. SHRI ANANTA SETHI: Will the Minister of COMMERCE AND INDUSTRY be pleased to state:

(a) whether Government have proposal to export tea to Pakistan;

(b) if so, what are the other items being presently exported to that country;

(c) whether these items are being exported directly or through any third country; and

(d) the details of the third countries through which tea is being exported to Pakistan?

THE MINISTER OF COMMERCE AND INDUSTRY (SHRI MURASOLI MARAN): (a) and (b) Tea is exported from India by private companies to over 80 countries including Pakistan. India exports a number of items to Pakistan, such as oil meals, drugs pharmaceuticals and fine chemicals, spices, dyes/intermediates and coal tar chemicals, rubber manufactured products, paints/enamels/varnishes, inorganic chemicals, plastic and linoleum products, iron ore etc.

(c) and (d) According to the available information these items are exported directly.

Removal of Ceiling and Restrictions on FDI

2334. SHRI C.M. IBRAHIM. Will the Minister of COMMERCE AND INDUSTRY be pleased to state:

(a) whether Government have decided to remove ceiling and restrictions over FDI in respect of different sectors and also remove export requirements to compensate the outgo of foreign exchange etc.; and

(b) if so, the details in this regard indicating the reasons and rationale and the life benefits that follow with respect to India's economy?

THE MINISTER OF STATE IN THE MINISTRY OF COMMERCE AND INDUSTRY (DR. RAMAN): (a) and (b) Government, in its commitment towards economic reforms and with the objective of attracting more foreign direct investment has placed all items/activities under the automatic route for 100% Foreign Direct Investment (FDI), Non-Resident Indians (NRI) and Overseas Corporate Body (OCB) investment except the following:

1. All proposals that require an Industrial Licence which include (i) the item requiring an Industrial Licence under the Industries (Development and Regulation) Act, 1951; (ii) foreign investment